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HOUSE BILL 351

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

INTRODUCED BY

Luciano "Lucky" Varela

AN ACT

RELATING TO RETIREE HEALTH CARE; CONTINUING A CERTAIN TAX  
DISTRIBUTION TO THE RETIREE HEALTH CARE FUND; INCREASING  
EMPLOYER AND EMPLOYEE CONTRIBUTIONS TO THE FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-1-6.56 NMSA 1978 (being Laws 2007,  
Chapter 168, Section 1) is amended to read:

"7-1-6.56. DISTRIBUTION--RETIREE HEALTH CARE FUND.--In  
addition to the distribution made pursuant to Section 7-1-6.30  
NMSA 1978, [~~for the period beginning July 1, 2007 and ending  
June 30, 2010~~] a distribution pursuant to Section 7-1-6.1 NMSA  
1978 shall be made to the retiree health care fund in the  
amount of two hundred fifty thousand dollars (\$250,000)."

Section 2. Section 10-7C-15 NMSA 1978 (being Laws 1990,  
Chapter 6, Section 15, as amended) is amended to read:

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1 "10-7C-15. RETIREE HEALTH CARE FUND CONTRIBUTIONS.--

2 A. Following completion of the preliminary  
3 contribution period, each participating employer shall make  
4 contributions to the fund [~~in the amount of:~~

5 ~~(1) one percent of each participating~~  
6 ~~employee's annual salary for the period July 1, 1990 through~~  
7 ~~June 30, 2002; and~~

8 ~~(2) up to one and three-tenths percent of each~~  
9 ~~participating employee's annual salary beginning July 1, 2002]~~  
10 pursuant to the following provisions:

11 (1) for participating employees who are not  
12 members of an enhanced retirement plan, the employer's  
13 contribution shall equal:

14 (a) one and three-tenths percent of each  
15 participating employee's salary for the period from July 1,  
16 2002 through June 30, 2010;

17 (b) one and six hundred sixty-six  
18 thousandths percent of each participating employee's salary for  
19 the period from July 1, 2010 through June 30, 2011;

20 (c) one and eight hundred thirty-four  
21 thousandths percent of each participating employee's salary for  
22 the period from July 1, 2011 through June 30, 2012; and

23 (d) two percent of each participating  
24 employee's salary beginning July 1, 2012;

25 (2) for participating employees who are

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1 members of an enhanced retirement plan, the employer's  
2 contribution shall equal:

3 (a) one and three-tenths percent of each  
4 participating employee's salary for the period from July 1,  
5 2002 through June 30, 2010;

6 (b) two and eighty-four thousandths  
7 percent of each participating employee's salary for the period  
8 from July 1, 2010 through June 30, 2011;

9 (c) two and two hundred ninety-two  
10 thousandths percent of each participating employee's salary for  
11 the period from July 1, 2011 through June 30, 2012; and

12 (d) two and one-half percent of each  
13 participating employee's salary beginning July 1, 2012; and

14 (3) each employer that chooses to become a  
15 participating employer after January 1, 1998 shall make  
16 contributions to the fund in the amount determined to be  
17 appropriate by the board.

18 B. Following completion of the preliminary  
19 contribution period, each participating employee, as a  
20 condition of employment, shall contribute to the fund [~~an~~  
21 ~~employee contribution in an amount equal to:~~

22 ~~(1) one-half of one percent of the employee's~~  
23 ~~salary for the period July 1, 1990 through June 30, 2002; and~~

24 ~~(2) up to sixty-five hundredths of one percent~~  
25 ~~beginning July 1, 2002] pursuant to the following provisions:~~

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1                   (1) for a participating employee who is not a  
2 member of an enhanced retirement plan, the employee's  
3 contribution shall equal:

4                   (a) sixty-five hundredths of one percent  
5 of the employee's salary for the period from July 1, 2002  
6 through June 30, 2010;

7                   (b) eight hundred thirty-three  
8 thousandths of one percent of the employee's salary for the  
9 period from July 1, 2010 through June 30, 2011;

10                   (c) nine hundred seventeen thousandths  
11 of one percent of the employee's salary for the period from  
12 July 1, 2011 through June 30, 2012; and

13                   (d) one percent of the employee's salary  
14 beginning July 1, 2012;

15                   (2) for a participating employee who is a  
16 member of an enhanced retirement plan, the employee's  
17 contribution shall equal:

18                   (a) sixty-five hundredths of one percent  
19 of the employee's salary for the period from July 1, 2002  
20 through June 30, 2010;

21                   (b) one and forty-two thousandths  
22 percent of the employee's salary for the period from July 1,  
23 2010 through June 30, 2011;

24                   (c) one and one hundred forty-six  
25 thousandths percent of the employee's salary for the period

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1 from July 1, 2011 through June 30, 2012; and

2 (d) one and one-fourth percent of the  
3 employee's salary beginning July 1, 2012; and

4 (3) as a condition of employment, each  
5 participating employee of an employer that chooses to become a  
6 participating employer after January 1, 1998 shall contribute  
7 to the fund an amount that is determined to be appropriate by  
8 the board. Each month, participating employers shall deduct  
9 the contribution from the participating employee's salary and  
10 shall remit it to the board as provided by any procedures that  
11 the board may require.

12 C. A participating employer that fails to remit  
13 before the tenth day after the last day of the month all  
14 employer and employee deposits required by the Retiree Health  
15 Care Act to be remitted by the employer for the month shall pay  
16 to the fund, in addition to the deposits, interest on the  
17 unpaid amounts at the rate of six percent per year compounded  
18 monthly.

19 D. The employer and employee contributions shall be  
20 paid in monthly installments based on the percent of payroll  
21 certified by the employer.

22 E. Except in the case of erroneously made  
23 contributions or as may be otherwise provided in Subsection D  
24 of Section 10-7C-9 NMSA 1978, contributions from participating  
25 employers and participating employees shall become the property

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1 of the fund on receipt by the board and shall not be refunded  
2 under any circumstances, including termination of employment or  
3 termination of the participating employer's operation or  
4 participation in the Retiree Health Care Act.

5 F. Notwithstanding any other provision in the  
6 Retiree Health Care Act and at the first session of the  
7 legislature following July 1, [~~2010~~] 2013, the legislature  
8 shall review and adjust the [~~distribution~~] distributions  
9 pursuant to Section 7-1-6.1 NMSA 1978 and the employer and  
10 employee contributions to the authority in order to ensure the  
11 actuarial soundness of the benefits provided under the Retiree  
12 Health Care Act.

13 G. As used in this section, "member of an enhanced  
14 retirement plan" means;

15 (1) a member of the public employees  
16 retirement association who, pursuant to the Public Employees  
17 Retirement Act, is included in:

18 (a) state police member and adult  
19 correctional officer member coverage plan 1;

20 (b) municipal police member coverage  
21 plan 3, 4 or 5;

22 (c) municipal fire member coverage plan  
23 3, 4 or 5; or

24 (d) municipal detention officer member  
25 coverage plan 1; or

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(2) a member pursuant to the provisions  
of the Judicial Retirement Act."

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